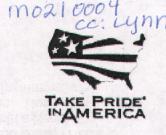


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Color Country District Office Cedar City Field Office

176 East DL Sargent Drive Cedar City, UT 84721 Telephone (435) 586-2401 www.blm.gov/ut/st/en/fo/cedar city.html



APR 1 9 2012

DIV. OF OIL, GAS & MINING

April 16, 2013

In Reply Refer To: UTC01 3809: UTU-67116

Mr. Paul L. Glader Corporate Environmental Director Hecla Ming Company 6500 Mineral Drive, Suite 200 Coeur d'Alene, ID 83815-9408

Dear Mr. Glader:

This responds to your letter of April 5, 2013, requesting reclamation and final surety release for the Escalante Silver Mine, Iron County, Utah. The mine and mill operations are covered by Division of Oil, Gas and Mining large mine permit M/021/004; those disturbances in the permit area falling on BLM managed lands, principally the mill tailings impoundment area, are authorized through BLM plan of operations UTU-67116.

Reclamation of the mill tailings impoundment area was carried out in 1995 and acceptable re-vegetation of the area was nearly achieved in 1999. Unfortunately, in late May 1999, during a routine inspection of the site, BLM discovered occurrences of Diffuse Knapweed in the impoundment area. BLM notified Hecla shortly thereafter and subsequent correspondence between Hecla and BLM discussed both a Heclafunded, BLM-managed perpetual treatment fund and a Hecla inspection and spraying plan. Hecla chose the latter plan with the release standard of three consecutive knapweed-free years after the removal of the last plant. Since 1999, BLM and Hecla have carried out annual inspections and Hecla has conducted annual sprayings of found plants. Although great progress has been made towards the goal of eradication and all other reclamation liabilities have been met, BLM's most recent inspection in 2012 still found small numbers of the noxious weeds.

As it is uncertain when full eradication of the knapweed will be achieved, Hecla re-considered funding a BLM-managed weed treatment fund, with the BLM requesting \$7,500 from Hecla for the fund. With the receipt of these funds through your letter, BLM now authorizes the Division to release any remaining bond monies specific to BLM-managed lands in the permit area. Hecla is also released from any reclamation liability for the BLM lands included in this project and any right to enter and conduct disturbance under the plan of operations is terminated.

If you have any questions, please feel free to contact Ed Ginouves directly at 435-865-3040.

Sincerely,

CC:

Elizabeth Burghard Field Office Manager

Lynn Kunzler, DOGM (M/021/004, Escalante Mine)

Opie Abeyta, UT-924